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Programme and Budget Committee

Seventeenth session

Vienna, 2-4 May 2001

Item 3 of the provisional agenda

PROVISIONAL AGENDA

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ANNOTATED PROVISIONAL AGENDA

Item 1. Opening of the session

In accordance with rule 17.2 of the rules of procedure (UNIDO/4), the seventeenth session of the Programme and Budget Committee will be opened by the Chairman of the Committee, Mr. R. O. Mowoe (Nigeria).

Item 2. Election of officers

In accordance with rule 17.1, each year, at the commencement of its regular session, the Committee shall elect from among the representatives of its members a Chairman and three Vice-Chairmen, and from among the delegations of its members a Rapporteur. Rule 17.3 also stipulates that the offices of the Chairman, the three Vice-Chairmen and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle in accordance with appendix A to the rules of procedure. According to that appendix, the Chairman of the seventeenth session should be elected from members of the Committee from the African States in List A, and the three Vice-Chairmen from the Asian States included in List A and from the States in Lists B and C, respectively. The Rapporteur should be elected from members of the Committee from List D.

Following an agreement reached between the members in List C and the members from the African States in List A, the Chairman of the sixteenth session, who was to be elected from List C, was elected from the African States in List A with the understanding that, for the seventeenth session, the Chairman should be elected from List C. Consequently, the three Vice-Chairmen should be elected from the African States and the Asian

States included in List A, respectively, and from the States in List B.

Item 3. Adoption of the agenda

A provisional agenda for the seventeenth session, prepared by the Director-General in consultation with the Chairman of the Committee in accordance with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.17/1.

Item 4. Interim financial performance report and programme performance report for the biennium 2000-2001

Financial regulation 10.6 stipulates that, at the beginning of the second calendar year of each fiscal period, the Director-General shall submit to the Programme and Budget Committee an interim financial report on significant financial developments that have affected the Organization during the first calendar year of the fiscal period concerned.

Furthermore, the Committee in its conclusion 1987/19 requested the Director-General to submit each year to the Board, through the Committee, a clear and detailed financial performance report itemizing the utilization of financial resources, as well as a programme performance report describing the level of programme implementation. Subsequently, upon recommendation of the Committee and the Board, the General Conference requested the Director-General to incorporate fully in the annual reports the programme performance report for the relevant period (GC.4/Res.2). Thus, the *Annual Report of UNIDO 2000* contains the programme performance report for 2000.

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This information is supplemented by the financial statements, which continue to be issued as part of the interim financial performance report.

The Committee will have before it:

- Interim financial performance report for the biennium 2000-2001. Submitted by the Director-General (PBC.17/6-IDB.24/6)
- *Annual Report of UNIDO 2000* (including interim programme performance report for the biennium 2000-2001) (PBC.17/2-IDB.24/2 and Add.1)

Item 5. Financial situation of UNIDO

Recent reports to sessions of the policy-making organs have covered a wide range of issues within the context of the financial situation. That information will be updated in a document submitted to the present session.

The Committee will have before it:

- Financial situation of UNIDO, including arrears. Report by the Director-General (PBC.17/8-IDB.24/8)

Item 6. Programme and budgets, 2002-2003

In accordance with Articles 14.1 and 14.2 of the Constitution, the Director-General shall prepare and submit to the Board through the Committee a draft programme of work for the following fiscal period, together with the corresponding estimates for those activities to be financed from the regular budget. The Director-General shall, at the same time, submit proposals and financial estimates for those activities to be financed from voluntary contributions to the Organization. The Committee shall consider the proposals of the Director-General and submit to the Board its recommendations on the proposed programme of work and corresponding estimates for the regular budget and the operational budget. Such recommendations of the Committee shall require a two-thirds majority of the members present and voting.

The Committee will have before it:

- Programme and budgets, 2002-2003. Proposals of the Director-General (PBC.17/3-IDB.24/3)

Item 7. Scale of assessments for apportionment of the regular budget expenses

The General Conference at its ninth session will have to establish a scale of assessments for the years

2002 and 2003. In accordance with Article 10.4 (b) of the Constitution, the Committee shall prepare the draft scale of assessments for regular budget expenditures, for submission to the Board. Article 15.2 of the Constitution stipulates that the scale of assessments shall be based to the extent possible on the scale most recently employed by the United Nations and that no Member shall be assessed more than 25 per cent of the regular budget of the Organization. The Committee will be provided with the latest information concerning the United Nations scale of assessments for the years 2002 and 2003 and any adjustments that might be required for UNIDO.

The Committee will have before it:

- Scale of assessments for the fiscal period 2002-2003. Note by the Secretariat (PBC.17/5-IDB.24/5)

Item 8. Working Capital Fund for the biennium 2002-2003

In accordance with financial regulation 5.4 (a), the Committee should recommend to the Board the amount and purposes of the Working Capital Fund for the 2002-2003 biennium. At its eighth session, the General conference decided (decision GC.8/Dec.14) that the level of the Working Capital Fund should be \$6,610,000 and that the authorized purposes of the Fund for the 2000-2001 biennium should remain the same as for the 1998-1999 biennium, i.e. as stipulated in decision GC.2/Dec.27, paragraph (b).

The Committee will have before it:

- Working Capital Fund for the biennium 2002-2003. Proposals by the Director-General (PBC.17/4-IDB.24/4)

Item 9. Financial regulations

Upon recommendation of the Committee, the Board at its twenty-third session took note of the interim report of the Chairperson of the Intersessional working group on proposed amendments to the financial regulations (PBC.16/10) and encouraged the group to continue its deliberations with a view to submitting proposed amendments to the financial regulations to the seventeenth session of the Committee (IDB.23/Dec.3).

The Committee will have before it:

- Intersessional working group on proposed amendments to the financial regulations. Report of the Chairperson, H.E. Mrs. I. Freudenschuss-Reichl (Austria) (PBC.17/11-IDB.24/11)

Item 10. Introduction of the euro

The General Conference will have to decide the exchange rate to be applied for the conversion of assets, liabilities, reserves and fund balances into euros effective 1 January 2002. That decision should be based on a recommendation of the Board, following initial consideration by the Committee.

The Committee will have before it:

- Conversion of assets, liabilities, reserves and fund balances. Note by the Secretariat (PBC.17/10-IDB.24/10)

Item 11. Follow-up to the report of the External Auditor for the biennium 1998-1999

In decision IDB.23/Dec.2, the Board requested the Director-General to take a number of measures in response to recommendations of the External Auditor in her report for the biennium 1998-1999.

The Committee will have before it:

- Implementation of measures recommended by the External Auditor. Report by the Director-General (PBC.17/9-IDB.24/9)

Item 12. Appointment of external auditor

In accordance with financial regulation 11.1, an External Auditor, who shall be Auditor-General (or an officer exercising an equivalent function) of a Member State, shall be appointed in the manner and for the period decided by the General Conference.

The Conference, by decision GC.8/Dec.15, decided to extend the appointment of the President of the Federal Court of Audit of Germany as the External Auditor of UNIDO for a period of two years, from 1 July 2000 to 30 June 2002. In decision GC.6/Dec.18, the conference requested the Director-General, in future, to invite proposals from Member States for the

appointment of an external auditor and to submit such proposals to the Committee for consideration. A report will be issued to the Committee, and to the Board as background information, concerning proposals received.

The Committee will have before it:

- Candidatures for the appointment of an external auditor. Report by the Director-General (PBC.17/7-IDB.24/7)

Item 13. Financing of UNIDO programmes, including new initiatives for funds mobilization

At its twenty-second session, the Board requested the Director-General to report to its twenty-fourth session on the level of the Industrial Development Fund, and on individual contributions to technical cooperation activities (IDB.22/Dec.2).

The Committee will have before it:

- Mobilization of financial resources (PBC.17/2-IDB.24/2, chap. V.E and appendix B, to be updated as appropriate)

Item 14. Date of the eighteenth session

The following dates have been tentatively reserved for the policy-making organs of UNIDO in 2002:

13-17 May	Industrial Development Board, twenty-fifth session
23-27 September	Programme and Budget Committee, eighteenth session
18-22 November	Industrial Development Board, twenty-sixth session

Item 15. Adoption of the report**Item 16. Closure of the session**